GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1330
ANSWERED ON:08.03.2002
RECOVERY OF OUTSTANDING INCOME TAX
N.N. KRISHNADAS;RAGHUNATH JHA

Will the Minister of FINANCE be pleased to state:

(a) The details of outstanding income tax at present in the country;

(b) Whether it is a fact that to recover outstanding income tax , Government can attach/sale of movable and immovable properties and can also attach bank accounts etc. of the defaulter against whom taxes are due;

(c) If so, the details of bank accounts, movable and immovable properties attached and quantum of money recovered from the sale of movable and immovable properties during the last three years.

(d) Whether it is also a fact that corporate houses ,MNC`s etc. against whom income tax worth more than Rs.100 crore are due neither their bank accounts were attached nor any of their movable and immovable properties were put on sale;

(e) if so, the reasons for the same and details/names of all such corporate houses, MNC`s etc. against whom income tax worth Rs.100 crore or more is due as on date;

(f) Whether the Government have prepared any time-bound action plan for recovery of taxes from all such companies; and

g) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SH. GINGEE N. RAMACHANDRAN)

a) The total outstanding arrear of income tax as on 31st December,2001 is Rs.57009.71 crores.

b) Yes sir.

c) to (e) the information is being collected and will be laid on the table of the House.

f) & (g) Yes, Sir. The Income Tax Act prescribes a statutory procedure for collection and recovery of taxes. The recovery of the outstanding tax is a continuous process. The process starts after the demand falls due after 30days of he service of the demand notice. Thereafter, action is taken by Assessing Officer in respect of unstayed demand by attaching bank accounts, charging interest, levying penalty etc. In difficult cases, matter is referred to Tax Recovery Officer who takes various coercive measures as per the Act like attachment and sale of defaulter`s movable and immovable properties, arrest of defaulter and his detention in prison, appointment of Receiver for the management of the defaulter`s movable and immovable properties. The recovery action taken by the Assessing Officer and TROs is closely monitored by the higher income tax authorities.

Dossier cases having outstanding demand of Rs.10 lakhs and above are monitored by higher authorities on a regular periodic basis and necessary instructions are issued for taking various coercive measures for effecting the recovery of demand.